

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 28-29, 2023

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.8a.(20), Action Item

Prepared By: Kyle Grading, Chief
Division of Rail and Mass Transportation

Subject: **REQUEST TO EXTEND THE PERIOD OF PROJECT ALLOCATION FOR A
LOCALLY-ADMINISTERED SENATE BILL 1 TRADE CORRIDOR
ENHANCEMENT PROGRAM RAIL PROJECT
WAIVER 23-120**

ISSUE:

Should the California Transportation Commission (Commission) extend the period of project allocation for the locally-administered Senate Bill 1 (SB 1) Trade Corridor Enhancement Program (TCEP) Stockton Diamond Grade Separation Rail project (PPNO 9883), in San Joaquin County, for the time period identified in the attachment?

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the Commission extend the period of project allocation for the locally-administered SB 1 TCEP Stockton Diamond Grade Separation Rail project (PPNO 9883), in San Joaquin County, for the time period identified in the attachment.

BACKGROUND:

The agency will not be able to request allocation for funds by the June 30, 2023 deadline. The attachment shows the details of the projects and the explanation for the delay.

Current TCEP Guidelines stipulate funds programmed for all phases are available for allocation only until the end of the fiscal year. The Commission may approve a waiver to the time use of funds deadline, one-time only, for up to 12 months.

Attachment

*"Provide a safe and reliable transportation network that
serves all people and respects the environment."*

**Time Extension/Waiver – Project Allocation
Trade Corridor Enhancement Program**

Project Number: 1
Applicant: San Joaquin Region Rail Commission
County: San Joaquin
District: 10
PPNO: 9883
Allocation Amount: \$100,000,000
Phase: Construction
Number of Months Requested: 12 Months
Extended Deadline: June 30, 2024
Department Recommendation: Support

Stockton Diamond Grade Separation

The San Joaquin Regional Rail Commission (SJRRRC) requests a 12-month time extension for allocation for the Construction (CON) phase of the Stockton Diamond Grade Separation Rail project. The project has experienced delays as detailed below.

The Stockton Diamond Grade Separation project is part of the overall Valley Rail Program. The project is at the intersection of the heavily trafficked Union Pacific Railroad (UPRR) and BNSF Railway (BNSF) mainlines, and is the busiest at-grade railway junction in the State. The Valley Rail Program delivery schedule assumed engineering review and approval times consistent with historical project timelines when SJRRRC was implementing two to three project components at a time. However, in Fiscal Year 2022-23, the Valley Rail Program had 29 active projects components. This has delayed the delivery schedule of the entire Valley Rail Program. Additionally, the scale of the Stockton Diamond Grade Separation project requires intensive design reviews and approvals by both UPRR and BNSF Railroads. UPRR and BNSF have limited resources for project reviews and approvals, which has resulted in delays. Both UPRR and BSNF have required design changes that have also contributed to the delays.

In addition, utility relocation is delayed and will not be completed until 2024. SJRRRC is working with the utility companies, Pacific Gas and Electric Company (PG&E) and Calwater. SJRRRC expects utility relocation agreements to be in place by December 2023. Once agreements are in place, the relocation of the utilities are estimated to take place through Spring of 2024. Subsequently, SJRCC is required to comply with the Uniform Relocation Assistance Act to ensure that property owners impacted by the acquisitions, parcel relocations, and the removal of parking spaces are treated fairly and equitably. SJRRRC is currently engaging in ongoing negotiations with property owners, and conducting outreach to business owners who have been impacted by the project.

Therefore, SJRRRC is requesting a 12-month time extension for the period of project allocation for the CON phase from June 30, 2023 to June 30, 2024.